Sinking Submarines from the Depths of the PTO Sea

by Steven C. Sereboff[1]

Eight years ago, an examiner at the Patent and Trademark Office rejected the patent application of Stephen B. Bogese II on very unusual grounds. The examiner determined that Bogese was taking too long to get a patent, and that therefore he had lost his right to a patent. Nothing in the Patent Act, the Rules of the Patent and Trademark Office or the Manual of Patent Examination and Procedure suggest that there could be a time limit on prosecution. Had the examiner found a powerful new weapon against submarine patents, or was he unintentionally helping Bogese to further delay the patent?

On appeal, the Court of Appeals for the Federal Circuit decided that the examiner was right. *In re Bogese II*, Case No. 01-1354 (Fed. Cir. September 13, 2002). Bogese's patent application had rested quietly at the bottom of the PTO sea for over 24 years and would never rise. It was sunk by prosecution history laches.

Although of little importance to the general public, those of us who engage in submarine warfare need to understand the doctrine of prosecution history laches.

History of the Bogese Application

The Bogese patent application, 08/376,290 ("the '290 application") relates to a connector for use with both miniature telephone plugs and printed circuit boards. Mr. Bogese is named on at least two dozen patents in the field. Although the '290 application was filed in 1995, there were 17 years of prior prosecution history.

During the first nine years of prosecution, Bogese diligently pursued a patent. The first application in the relevant chain was filed on June 14, 1978. The first application was abandoned in favor of a continuation application. The examiner rejected the continuation for obviousness. Bogese appealed to the Board of Patent Appeals and Interferences ("the Board"), and then to the Federal Circuit. After remand by the Federal Circuit, Bogese again continued fighting the obviousness rejection. Bogese eventually took the battle back to the Federal Circuit, but lost this second appeal.

Normally, the applicant will abandon or aggressively narrow his claims at that point. Bogese tried a different tactic – he sent his application to the bottom of the sea. He filed a series of ten file wrapper continuation applications ("FWC"). The examiner responded to each FWC with a first Office action final rejection, and Bogese waited the full six months before filing the next FWC

Perhaps this process would have continued for ever. Instead, the examiner decided to try a different tactic, and he acted decisively.[2] Less than one month after Bogese filed the ninth FWC, a final Office action was mailed. Unlike the prior final Office actions in the pattern, this one put Bogese on notice that the PTO wanted him to move his submarine: "[T]he next

continuation of this series may be rejected by invoking the equitable doctrine of laches, absent any substantive amendment to advance prosecution."

Bogese did not move his submarine. Instead, he filed another FWC – the '290 application, on January 23, 1995. Six weeks later, the examiner rejected all the claims for three reasons: "on the doctrine of Res Judicata based on the decision of the Court of Appeals for the Federal Circuit dated March 16, 1987;" as being unpatentable under 35 U.S.C. § 103 in view of several prior art references; and because "applicant has forfeited the right to a patent." The examiner explained the last reason as follows:

> Applicant has deliberately postponed meaningful prosecution, deliberately postponed the grant of any patent to which he may be entitled, and deliberately postponed the free public enjoyment of any invention on which a patent may have issued. These deliberate actions are an evasion of the patent statute and defeat its benevolent aim.

Again waiting the full six months before responding, Bogese for the first time made a substantive response to the Office action by amending the claims of the '290 application and submitting affidavits in support of his arguments that his claimed invention was not obvious. Bogese also traversed the forfeiture rejection, urging that "[i]t cannot be the law that one who has complied with clear statutory authority in all respects has somehow forfeited his right to a patent." The examiner promptly issued a final Office action, Bogese requested reconsideration, and the examiner held fast in an Advisory Action.

Recognizing that his submarine was under attack, Bogese waited almost until the deadline and appealed to the Board. It took the Board four years to issue an opinion.

The Board sustained the examiner on the obviousness and forfeiture rejections. The Board considered Bogese's delays egregious and relied upon the general grant of power to the PTO to examine and issue patents and a prior Board opinion, *Ex parte Hull*, 191 USPQ 157 (1975), as providing the authority for the rejection based on forfeiture. The Board was particularly troubled by Bogese's petition to make special – filed two decades prior -- on the basis of infringing activity by competitors.

Recognizing that the PTO intended to sink his submarine, Bogese once again went before the Court of Appeals for the Federal Circuit.

The Federal Circuit Decision

Bogese's appeal went before Judges Newman, Dyk and Prost, who issued a decision on September 13, 2002. Judge Dyk wrote the opinion of the Court, and Judge Newman dissented.

The Court could have easily sustained the Board on the obviousness rejection and declined to consider the forfeiture rejection. Indeed, this would have been the safer course. Instead, the Court focused on the forfeiture rejection, and, after affirming the Board on forfeiture, declined to reach the obviousness rejection.

Agreeing with the Board, the Federal Circuit articulated a doctrine which it called "prosecution history laches." "Prosecution history laches" arises after an unreasonable and unexplained delay in prosecution, even though the patent applicant complied with pertinent statutes and rules.

In holding that Bogese forfeited his right to a patent, the Federal Circuit relied primarily upon its prior decision in *Symbol Technologies, Inc. v. Lemelson Medical*, 277 F.3d 1361, 61 USPQ2d 1515 (Fed. Cir. 2002), *cert. denied* (2002). In *Symbol*, the Federal Circuit held that several parties could seek declaratory judgment that a number of patents of submarine fleet admiral Jerome Lemelson were unenforceable due to prosecution history laches.[3] Because *Symbol* only concerned the issue of whether prosecution history laches could be asserted, the Federal Circuit did not develop a test.

The *Bogese* case brings us closer to having a test for prosecution history laches. That test was first suggested by the Board in *Hull*, and requires unreasonable delay by the applicant, and notice by the PTO that the patent application would be held forfeited.

In *Hull*, the applicant delayed issuance of allowed claims. The applicant filed a chain of six continuation-in-part applications, resulting in a delay of over eight years until the examiner presented a laches rejection. The Board reversed the examiner, but only because the examiner had not first warned the applicant.

In *Bogese*, the Federal Circuit agreed with *Hull*, and required that the applicant must be given notice before presenting a rejection on prosecution history laches. By giving notice, the applicant then has the opportunity to either change his behavior or explain it.

Bogese's primary argument was that the PTO lacked authority to find forfeiture for prosecution history laches. Bogese argued that he was in complete compliance with the pertinent laws and rules. Bogese also argued that the PTO acted arbitrarily in requiring him to advance prosecution. Citing *Symbol*, the Federal Circuit held that equity is properly applied when the laws and rules have been abused.

Citing *Hull*, the Court held that Bogese had ample warning that the PTO had authority to require applicants to advance prosecution.[4] Comparing Bogese's situation with that in *Symbol*, the Court stated, "Indeed, we think the PTO's authority to sanction undue delay is even broader than the authority of a district court to hold a patent unenforceable." The Court therefore agreed with the Board that the PTO gave Bogese sufficient notice.

The Court differentiated prosecution history laches from other delays. First, the Court held that the focus should be on the applicant's actions, so delays by the PTO were irrelevant. Second, the Court explained that prosecution history laches is different from the "late claiming" doctrine. Whereas late claiming is permissible, failure to further the prosecution of an application is not.

Judge Newman's Dissent

Judge Newman disagreed with the rationale of the Court. This is not surprising, since Judge Newman also dissented in *Symbol*. Rather than recognizing a rule of law in *Symbol*, she

instead suggested that *Symbol* be limited to its facts. In Judge Newman's view, even if prosecution history laches were cognizable, only Congress could authorize it. In her view, there is no such authorization.

Judge Newman was uncomfortable with the examiner acting in a quasi-judicial role which penalizes the applicant. In her view, equitable doctrines such as prosecution history laches are reserved for the courts. She accepted the examiner's authority to "relieve an applicant from some particularly harsh application of an agency rule." Otherwise, she believes that equitable remedies should be available only to litigants.

While agreeing that Bogese's delays were egregious, Judge Newman would have the PTO first promulgate rules before denying his right to a patent. Without following the rulemaking procedures required under the Administrative Procedures Act, *ad hoc* development of rules as in *Bogese* would, in her opinion, lead to examiners relying upon their personal views of equity.

Ultimately, Judge Newman believed that the Court's decision would have little relevance. She noted that a patent's term now runs from its earliest priority date, rather than its date of grant. The '290 application is rare, since it gets the benefit of a guaranteed 17 year term. In contrast, by unreasonably delaying prosecution, most applicants would receive a patent with a very short term.

Living with Prosecution History Laches

Judge Newman made an excellent point in her dissent – the current law for measuring patent terms largely moots the motivation for unreasonable delay in prosecution. Or does it? Certainly, if the law for measuring patent terms is changed, then prosecution history laches could have considerable relevance. Currently, there are no bills which propose extending patent terms. Nonetheless, the independent inventor community continues to yearn for a guaranteed minimum term. In the right political climate, Congress could change the law.

Judge Newman also argued that "persistent, expensive, and burdensome refilings as indulged in by Bogese are surely rare." Perhaps this is true in general, but it is not true for Mr. Bogese. Three of his patents appear to have been extended in the same way as the '290 application at issue in the Federal Circuit decision. Many of Bogese's other patents also claim priority from a shorter chain of continuations. At least one other Bogese submarine application was sunk by the PTO using a different tactic.[5] Because these patents have issued, they are not subject to a PTO rejection for prosecution history laches. However, anyone accused of infringing these patents is sure to raise the doctrine as a defense.

More interesting, perhaps, is the impact of the Federal Circuit's decision on patents and applications related to the '290 application. As an equitable doctrine, will the sinking of one submarine cause the automatic loss of the fleet? Five Bogese patents relate to the '290 application. There is a fair likelihood that there is at least one related application. Are all of these patents and applications unenforceable?

The *Bogese* opinion does not mention whether Bogese's unclean hands in the '290 application might affect his other patents and applications. However, unenforceability should

only extend as far as the uncleanliness. Because the five related Bogese patents arose from the second application in the '290 chain, which he filed presumably before acting inequitably, these five patents probably are not tainted. On the other hand, related applications filed during the delay period may be tainted. The PTO could cite the Federal Circuit decision against Bogese's pending related applications and effectively force him to prove that the other applications are not tainted.

Indeed, one must wonder what motivated the examiner to make the forfeiture rejection. The Commissioner's office was surely involved. First, there is Bogese's prior battle with Commissioner, in which the Commissioner put Bogese on notice of potential forfeiture. Second, contemporaneously with the forefeiture notice to Bogese in the '804 application, then-Commissioner Bruce Lehman was testifying before Congress about the problems posed by submarine patents. Without question, the Commissioner helped sink the '290 application.

Although the *Bogese* decision did a good job of developing the doctrine of prosecution history laches, several important aspects of the doctrine remain unclear. Most importantly, what constitutes an unreasonable delay in prosecution? Clearly, Bogese's eight year chain of FWCs was an unreasonable delay. The PTO also considered the chain of CIPs in *Hull* to be unreasonable. What other kinds of delays are unreasonable? There are numerous actions that an applicant can take which delay prosecution. Which could lead to prosecution history laches? Is "reasonableness" an objective or subjective standard? One would hope that the PTO would address these questions in the rulemaking suggested by Judge Newman. Otherwise, the patent community is left with an unclear standard and the burden of case-by-case development.

Until clearer standards are available, submarine commanders and submarine hunters should consider some lessons from *Bogese*.

Suggestions For Submarine Commanders

Perhaps the most important lesson from *Bogese* is that you need to periodically move the sub. Had Bogese made even a small amendment or fair request for reconsideration at any point prior to filing the '290 application, he probably would have avoided the issue.

When you receive a notice of potential forfeiture from the PTO, take it seriously. Merely contesting its grounds is not enough, you need to explain the delay. Since the PTO is in a poor position to decide the propriety of such an explanation, the PTO likely will err in the applicant's favor. Once the issue has been dispelled in the PTO, a district court probably will decline to reconsider it.

Students of Jerome Lemelson understand the value of filing multiple continuations. If one is sunk, the others survive. Although unclean hands renders related applications unenforceable, this goes only so far as the uncleanliness.Although the Bogese tactic is no longer practical, there are other ways to delay prosecution. The best delays are those caused by the PTO, and several tactics can be employed which will give rise to a PTO delay. For example, appeals to the Board of Appeals generally lead to a delay from normal prosecution of several years. In *Bogese*, most of the 24 years of prosecution was occupied by appeals.

Suggestions for Submarine Hunters

Although the courts, Congress and the PTO have tried to limit the number and impact of submarine patents, those battling submarine patents will continue to have a lot of work for many years. Surely, a defense of prosecution history laches should be considered any time there is a chain of applications or delay in prosecution. Aside from this, submarine hunters can learn important lessons from *Bogese*.

Perhaps the most significant lesson *e* is that the Federal Circuit does not like submarine patents. Regardless of whether you agree with Judge Newman that the Federal Circuit was making new law, it is inarguable that the Court in both cases chose a more active path. Creative patent attorneys will allege prosecution history laches in interferences, reexams and other proceedings.

Although the PTO advanced winning arguments in support of the doctrine of prosecution history laches, it is surprising that the PTO did not advance statutory grounds. In particular, 35 USC § 102(c) provides good support for the PTO's position. Under § 102(c), the right to a patent is lost if the inventor "has abandoned the invention." Section 102(c) is rarely cited, having lost most of its historical basis to the on-sale and public use bars of § 102(b). Though § 102(c) states "abandoned the invention," it is generally understood to mean "abandoned the right to a patent." In *Symbol*, the Federal Circuit relied heavily upon a Supreme Court decision, *Woodbridge v. United States*, 263 U.S. 50 (1923). *Woodbridge* predated the enactment of § 102(c) but was decided under a special law against abandonment of the right to a patent. In *Woodbridge*, the Supreme Court spoke of "abandonment by conduct." In *Symbol* and *Bogese*, the Federal Circuit had two good opportunities to link § 102(c) to the doctrine of prosecution history laches. It is curious that the Court chose not to do so. In the future, arguments that the doctrine of prosecution history laches lacks legal foundation should be muted or overcome by reliance upon § 102(c).

Conclusion

Although the factual situation which gave rise to I*n re Bogese* were unusual, the doctrine of prosecution history laches has broader application. When there has been an unreasonable and unexplained delay in prosecution, the doctrine of prosecution history laches results in forfeiture of a pending application or unenforceability of a patent. Future decisions will likely develop the doctrine, showing when a delay is unreasonable, and what explanations will suffice to forestall forfeiture or unenforceability.

---

[1] Copyright 2002. Steven C. Sereboff is a member of SoCal IP Law Group. Mr. Sereboff holds a J.D. from Boston University School of Law, and a B.S. in Electrical Engineering from the University of Maryland at College Park. His practice focuses on strategic intellectual property counseling, and he also handles patent and trademark prosecution, and licenses and contracts relating to intellectual property. Mr. Sereboff regularly supports corporate attorneys on IP aspects of corporate transactions and litigators on intellectual property litigation.

[2] The examiner is not identified by name in the Federal Circuit opinion, nor does the opinion indicate whether the same examiner handled all of the applications in the chain.

[3] In *Symbol*, the Court referred to the rule as "prosecution laches."

[4] This was not Bogese's first *Hull* notice. *See In re Bogese*, 22 USPQ2d 1821 (PTO Patent Policy & Programs Administrator 1991), discussed in note 5.

[5] *In re Bogese*, 22 USPQ2d 1821 (PTO Patent Policy & Programs Administrator 1991). In the 1991 decision, in response to Bogese's petition, the Commissioner determined that a shortened one-month period for reply to a first Office action final rejection was proper because Bogese had filed a chain of five FWCs without advancing prosecution. The Commissioner also gave Bogese a *Hull* notice.